INTELLIGENCE SERIES · FLOW ANALYTICS

There Is No Such Thing as a Gold Allocation.

A geography- and instrument-disaggregated analysis of precious-metals investment flows, 2023 to 2026

−$5.41bn

Net flow out of precious-metals funds in 2026, with the gold price near an all-time high.

−$13.33bn

The miner equity reversal, February to June 2026. Five consecutive months.

−$1.96bn

Nine-year structural demand for US gold funds. Every dollar in came from the news.

Three Horizons Capital · July 2026 · Fund flows through June 2026

128 precious-metals funds · 36 months · Five domicile regions · Nine years of narrative decomposition

Executive summary

1. **The aggregate flow number and the gold price are telling opposite stories, and the aggregate is the one that is wrong.** Net flow across the precious-metals fund universe in 2026 is **−$5.41 billion** while the price sits near an all-time high. Six months earlier the same figure read **+$12.45 billion**. The swing is an artefact of netting two opposite trades against each other.

2. **Physical and miner equity are different assets with different owners.** In 2026 physical vehicles took in **+$1.67bn** while miner equity lost **−$7.08bn**. Across the full thirty-six months the two have gone in opposite directions: physical **+$3.02bn**, miners **−$6.31bn**. A miner is not leveraged gold; it is gold with operating cost, jurisdiction, management and equity beta stacked on top.

3. **The miner trade completed a full round trip and gave it all back in five months.** A bleed of **−$8.49bn**, a catch-up of **+$15.51bn**, then a reversal of **−$13.33bn** across five consecutive months. The single largest month in the dataset, January 2026 at **+$6.26bn**, arrived at the top.

4. **Three regional investor bases, and only one is still buying.** North America **−$4.19bn** in 2026, Europe and the UK **−$2.49bn**, Asia-Pacific **+$1.28bn** and the only region in net inflow. The behaviours are not comparable and should not be aggregated into a single line called demand.

5. **Strip out the news and Western demand is negative, and has been for nine years.** Decomposed, US precious-metals flow is news-driven **+$82.0bn**, structural **−$2.0bn**, residual **−$14.7bn**, actual **+$65.4bn**. The structural component is negative in 57% of all weeks measured.

6. **The buyer setting the price does not appear in this data at all.** Western fund flow is negative, structural demand is a nine-year drain, and the price is at a record. That reconciles only if the marginal bid sits outside the pooled Western fund channel, in central bank reserve policy and direct physical accumulation.

What this report deliberately does not contain

No fund, provider or ticker is named. Flow attached to a single share class can invert the picture at firm level; the appendix documents a case where a vehicle showing a billion dollars of outflow belonged to a complex that lost almost nothing. **No gold price level is quoted**; nothing in the argument requires one. **Central bank figures are third-party estimates** and are identified as such wherever used.

1 The aggregate nets opposite trades against each other

Gold is near a record high. Investors pulled $5.41 billion out of precious-metals funds in 2026. Both are true, and the gap between them is the subject of this report.

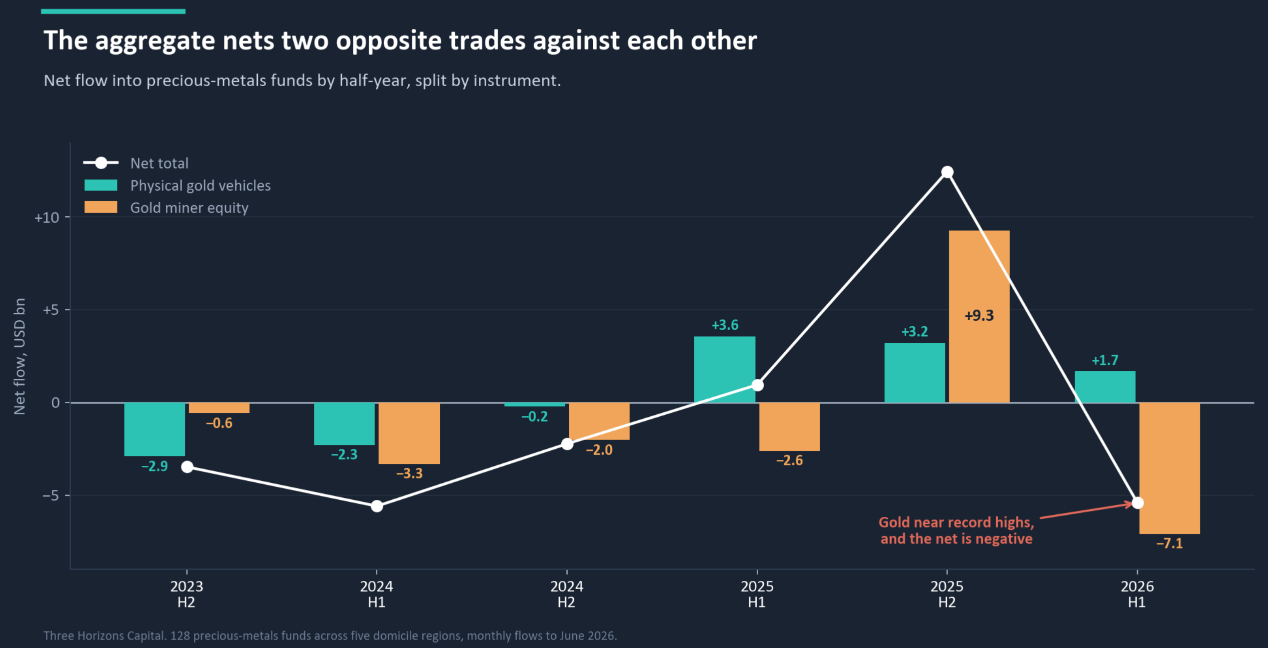


Figure 1. Net flow into precious-metals funds by half-year, split by instrument.

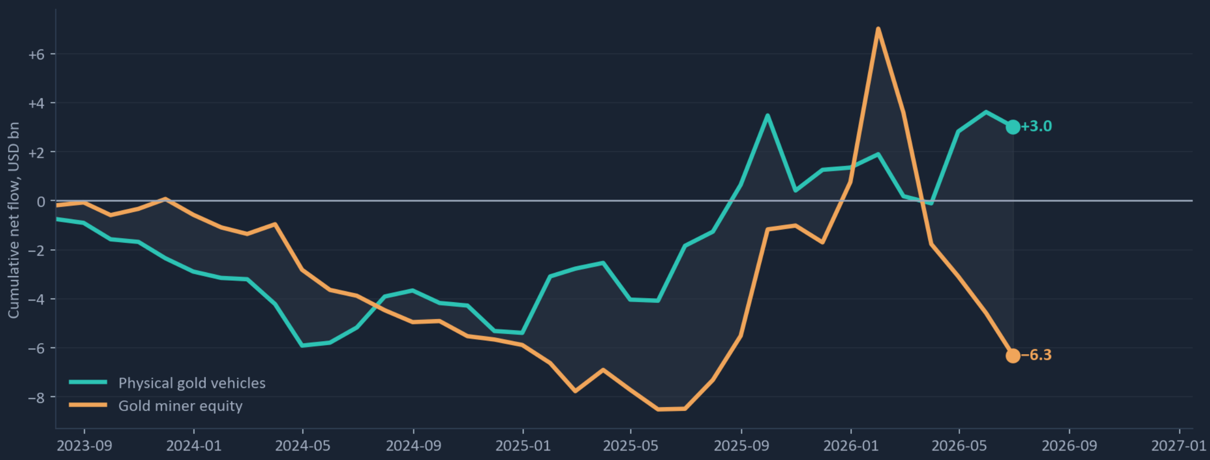
PERIOD	PHYSICAL	MINER EQUITY	NET
2023 H2	−$2.89bn	−$0.58bn	−$3.47bn
2024 H1	−$2.28bn	−$3.31bn	−$5.59bn
2024 H2	−$0.22bn	−$2.01bn	−$2.23bn
2025 H1	**+$3.55bn**	−$2.60bn	+$0.95bn
2025 H2	**+$3.19bn**	**+$9.26bn**	**+$12.45bn**
2026 H1	**+$1.67bn**	**−$7.08bn**	**−$5.41bn**
36-month total	**+$3.02bn**	**−$6.31bn**	**−$3.29bn**

The net column is negative, then barely positive, then strongly positive, then negative again. A reader following only that column would conclude investors abandoned gold, returned, piled in, then abandoned it again. **None of that happened.** Physical gold has been in net inflow for six consecutive quarters. The entire swing in the headline belongs to the miner column.

2 Instrument: two markets, not two wrappers

Two instruments, two entirely different histories

Cumulative net flow, physical gold vehicles against gold miner equity, 36 months to June 2026.



Three Horizons Capital. 29 physical vehicles and 99 miner equity funds.

Figure 2. Cumulative net flow, physical gold vehicles against gold miner equity.

Treating physical and miner exposure as interchangeable is the most common and most consequential error in gold allocation. A miner is gold with four additional businesses stacked on top, each of which can fail independently of the metal.

Operating cost. Energy, labour and capital expenditure inflation compress margins directly. A rising gold price matched by rising extraction costs delivers nothing to the equity holder.

Jurisdiction. Royalty changes, permitting delays and, in the limit, expropriation. The metal in a vault has no government.

Management. Hedging policy, acquisition discipline and the credibility of cost guidance. Two producers in the same ore body can deliver opposite shareholder outcomes.

Equity beta. The one that matters most for portfolio purposes. Miners fall with the equity market in risk-off episodes, which is precisely when the metal is supposed to be earning its place in the portfolio. **The hedge and its proxy stop agreeing at the moment agreement is required.**

The flow data reflects investors learning this. The durable recipient across the cycle has been the vehicle carrying none of those four layers.

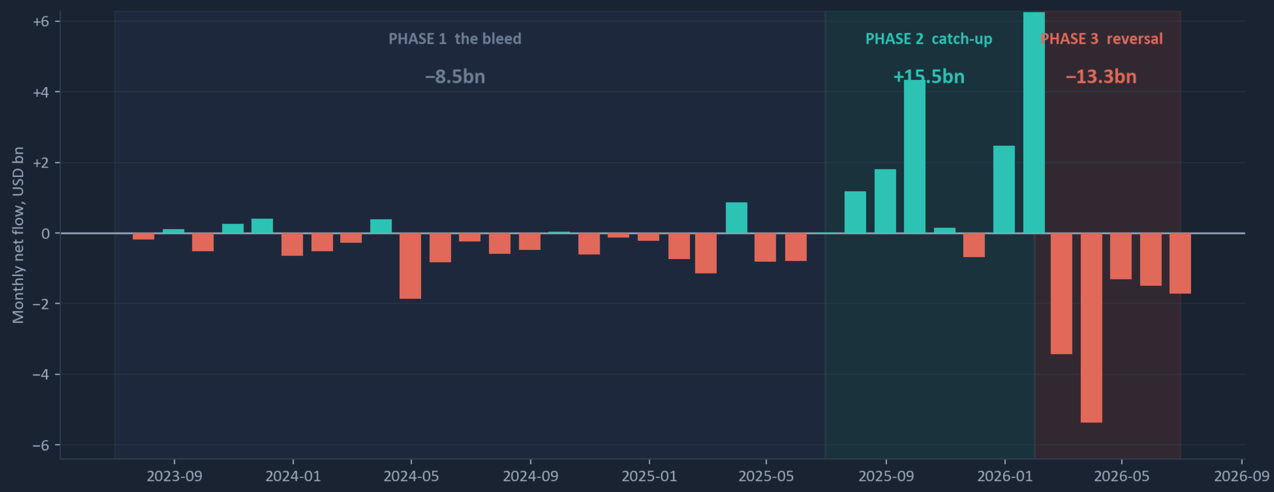
A caution on reading vehicle-level flow

Within physical gold, some providers gained substantial share while others lost it, in sizes large enough to read as an exodus if a single vehicle is followed in isolation. It was not an exodus. It was investors switching provider while remaining in the asset. **A flow figure attached to one vehicle can indicate the opposite of what the asset class is doing.**

3 The miner cycle: a full round trip, and the exit was faster than the entry

The miner trade ran a full cycle in three years, and gave it all back in five months

Monthly net flow into gold miner equity funds, 36 months to June 2026.



Three Horizons Capital. 99 miner equity funds. Phase 2 runs July 2025 to January 2026; Phase 3 is the five consecutive outflow months, February to June 2026.

Figure 3. Monthly net flow into gold miner equity funds.

PHASE	WINDOW	NET FLOW
One, the bleed	Jul 2023 to Jun 2025	−$8.49bn
Two, the catch-up	Jul 2025 to Jan 2026	+$15.51bn
Three, the reversal	Feb to Jun 2026, five consecutive months	−$13.33bn

Phase one. Miners had failed to convert rising gold prices into shareholder returns often enough that the default response became to buy the metal directly.

Phase two. After eighteen months of underperformance the sector looked cheap against the metal, costs appeared to be stabilising, and the valuation gap reached multi-year extremes. January 2026 alone brought **+$6.26bn**, the largest single month in the dataset by both inflow and absolute magnitude.

Phase three. The rotation reversed across five consecutive months, unwinding most of what phase two had built.

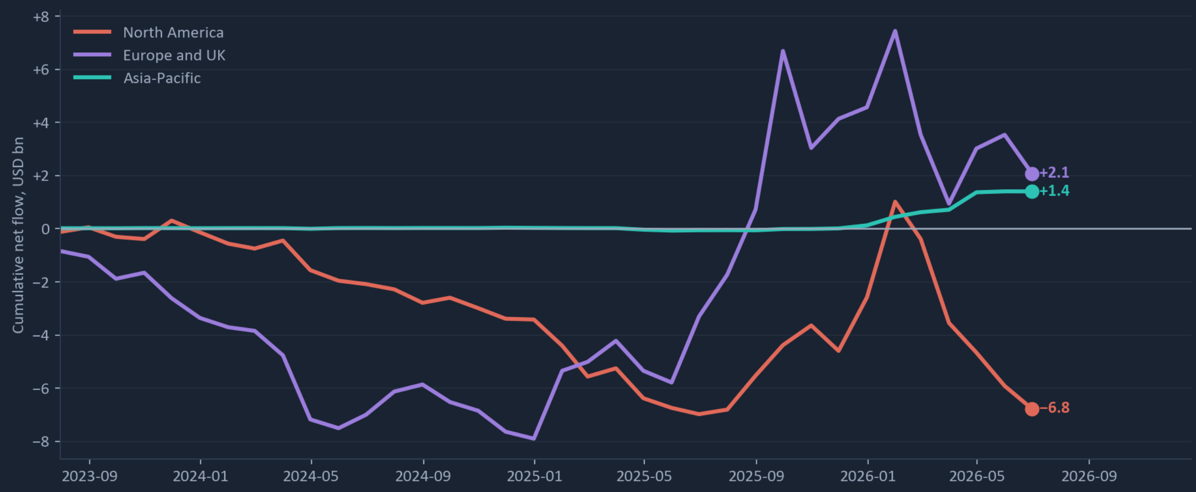
> **The catch-up trade took two and a half years to set up, seven months to play out, and five months to unwind. Capital that arrived in January arrived at the top.**

This distinction between a trade and an allocation is the practical output of this section. A position whose full round trip fits inside eighteen months, and whose worst five months erase seven good ones, is not a strategic holding. It can be an excellent trade. The flow pattern suggests a substantial share of participants did not know which of the two they were making.

4 Geography: three investor bases with incompatible horizons

Three investor bases, and only one of them is still buying

Cumulative net flow into all precious-metals funds by domicile region, 36 months to June 2026.



Three Horizons Capital. Region assigned by fund domicile. Across all vehicles Asia-Pacific was in net inflow in 20 of the 36 months, and in 25 counting physical vehicles only.

Figure 4. Cumulative net flow into all precious-metals funds by domicile region.

REGION	2026 YTD	BEHAVIOUR	HORIZON
North America	−$4.19bn	Momentum and tactical; drove the miner catch-up late and absorbed the reversal	Months
Europe and UK	−$2.49bn	Institutional, physical-weighted, individually large idiosyncratic decisions	Quarters
Asia-Pacific	+$1.28bn	Consistent accumulation; the only region in net inflow in 2026	Years

Asia-Pacific is the smallest pool by assets and the most consistent by direction. Its flow is almost entirely physical: miner equity in the region nets to approximately zero across the whole window. On that physical book it was in net inflow in **twenty-five of the last thirty-six months**, and across all vehicles in twenty.

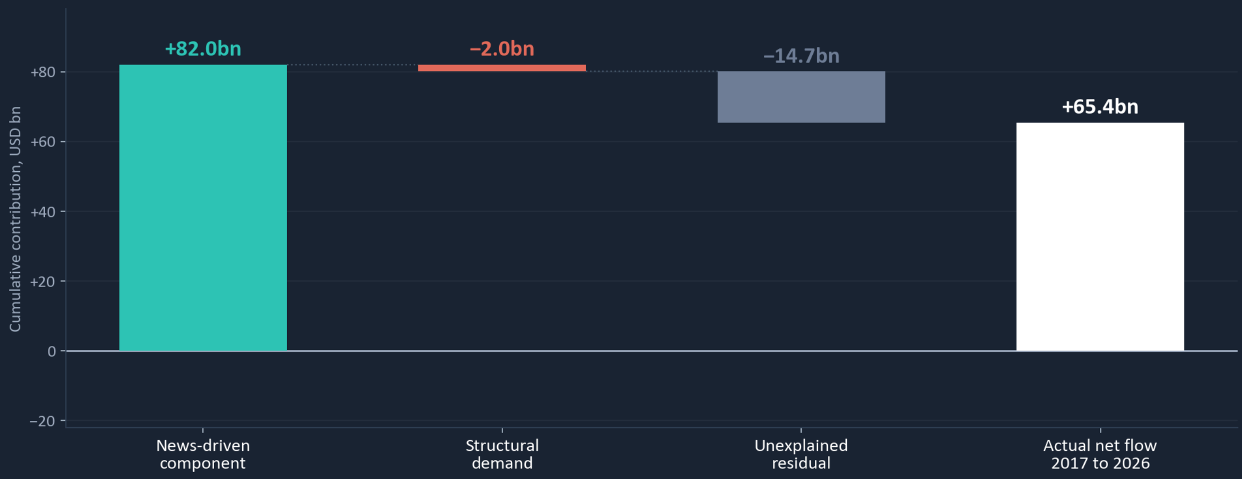
The distinction that matters is behavioural rather than geographic. Western flows behave like a position that is entered and exited. The Asia-Pacific pattern behaves like accumulation, a savings and currency-diversification behaviour that does not visibly respond to the price being high. **A buyer who does not sell into strength is a structurally different buyer**, and the two are being averaged into a single reported figure.

5 The narrative dimension: news is the demand

Weekly fund flow is decomposed into three components: **structural**, the demand persisting when media attention is held constant; **news-driven**, the part moving with the intensity of media coverage; and a **residual**, being what the model attributes to neither. The three sum exactly to observed flow.

Every dollar that went into US gold funds came from the news, and then some

US precious-metals fund flow decomposed over nine years. The components sum exactly to the actual.



Three Horizons Capital narrative decomposition, 470 weekly observations, June 2017 to July 2026. The residual is the portion attributable to neither factor and is disclosed rather than allocated.

Figure 5. US precious-metals fund flow decomposed over nine years. Components sum exactly to the actual.

COMPONENT	CUMULATIVE 2017 TO 2026	SHARE OF WEEKLY VARIATION
News-driven	+$82.04bn	40.3%
Structural demand	−$1.96bn	4.6%
Unexplained residual	−$14.69bn	55.1%
Actual net flow	**+$65.39bn**	

> **The structural component is negative, and negative in 57% of all weeks measured. Every dollar of the $65 billion that entered, and $17 billion beyond it, is attributable to the news component and the residual.**

Gold is not unusual in being news-driven. Of the portion attributable to one factor or the other, roughly nine-tenths of gold flow is news rather than structure. Run the same test across every other category and gold ranks twenty-second of eighty-seven. Almost all fund flow is news-driven and equity flows are more so. What distinguishes gold is not the height of the news share. **It is that there is nothing underneath it.** In most categories the structural component is a positive, if modest, floor. In Western gold funds it is a slow negative.

Two limitations, stated rather than buried

The residual is the largest single share of week-to-week variation, at 55.1%. More than half of what occurs in any given week is attributable to neither factor. A decomposition explaining less than half of short-run variation should not be read as a precise weekly signal. The finding here rests on the nine-year cumulative direction, not on any individual week.

The structural component has turned positive over the most recent twelve months, by roughly $2.6 billion on a trailing twelve-month basis. That is either the beginning of a genuine regime change in Western gold demand or the model reading a sustained news environment as structure. It is too early to distinguish between the two, and we would rather record it than allow a nine-year chart to imply a certainty the last year does not support.

6 The buyer setting the price is not in this dataset

Western fund flow in 2026 is net negative. Miner equity is in heavy outflow. The structural component of Western demand is a nine-year drain. The gold price is near an all-time high. These reconcile in only one way.

> **The marginal buyer setting the price does not transact through the vehicles a Western flow screen measures.**

Central banks. Reserve managers have been net buyers for sixteen consecutive years on World Gold Council figures, with 2026 purchases estimated at approximately 850 tonnes and a record share of surveyed reserve managers intending to add. These are third-party estimates, not our data. The relevant point is structural rather than numerical: this is price-inelastic demand driven by reserve policy rather than by price or by the news cycle.

Direct physical accumulation outside Western wrappers. The Asia-Pacific pattern visible in our own data is the small, measurable tip of a behaviour that largely occurs outside pooled funds entirely.

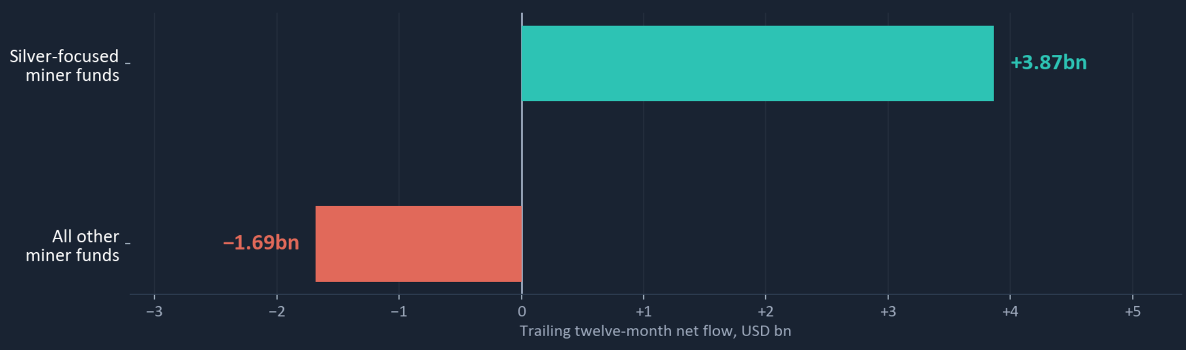
The consequence is specific. **The metric is structurally blind to the buyer that matters.** It reports Western sentiment accurately and in high resolution, and reports almost nothing about the bid actually setting the price. The two can diverge for years, which is what they are doing now.

This also creates an asymmetry in risk visibility. A Western fund outflow is observable weeks in advance. A change in reserve policy at a small number of institutions, or a shift in Asian household behaviour, would not register in these figures until well after the price had moved. **The absence of early warning is itself a risk**, borne by every holder of the metal rather than only by those holding it through the invisible channel.

7 Positioning: instrument, geography, catalyst

Inside the miner selloff, silver went the other way

Trailing twelve-month net flow, silver-focused miner funds against all other miner funds.



Three Horizons Capital. Nine silver-focused funds and 90 other miner equity funds, twelve months to June 2026.

Figure 6. Trailing twelve-month net flow, silver-focused miner funds against all other miner funds.

A final illustration of how finely this splits. Within the miner selloff, silver-focused miner funds attracted **+$3.87bn** over the trailing year while all other miner categories lost **−$1.69bn**. Inside an instrument in heavy net outflow, a sub-segment was in heavy net inflow, driven by a relative-value view on the gold-to-silver ratio and an industrial demand argument unrelated to the monetary case for gold.

Same metal, opposite flows, at four levels of resolution: by instrument, by region, by sub-segment, and by whether the catalyst is a headline or a policy. **"We are adding gold" is therefore not a decision. It is a category.** Three questions convert it into a thesis.

DIMENSION	THE QUESTION	WHY IT DETERMINES THE OUTCOME
Instrument	Physical, miner equity, or silver miner?	Different assets, different owners, different liquidity. If the purpose is behaviour that differs from equities under stress, miner equity does not provide it, because it is equity.
Geography	Which buyer are you standing next to?	A monetary, long-horizon thesis places you alongside Asian and central bank holders. A Western miner vehicle places you alongside momentum traders whose exit becomes your drawdown.
Catalyst	Headline or structure?	Most of what moves Western gold flow is news, and news reverses. A position sized for a monetary thesis but entered on a headline is two different trades in one instrument.

An allocation that leaves any of the three implicit is exposure to aggregate gold sentiment, which this report shows to be news-driven, regionally contradictory, and without a persistent structural inflow trend in the Western channel.

Appendix: method, scope and figures

One hundred and twenty-eight distinct precious-metals funds across four third-party fund categories, covering physical exchange-traded commodities and physical ETFs, miner exchange-traded funds, and actively managed miner mutual funds. Monthly net flows, thirty-six months from July 2023 to June 2026. Physical is the commodities precious-metals category; miner equity aggregates the three equity precious-metals categories. Narrative decomposition is weekly, 470 observations from June 2017 to July 2026, US precious metals.

2026 year to date by region

REGION	NET FLOW	COMPONENTS
North America	−$4.19bn	United States −4.00, Canada −0.19
Europe and UK	−$2.49bn	Luxembourg −1.29, Ireland −0.63, United Kingdom −0.57
Asia-Pacific	+$1.28bn	Hong Kong +1.08, Singapore +0.20
Total	**−$5.41bn**	

A note on scope, which materially changes one figure

Asia-Pacific month counts depend on the vehicle scope and the two answers differ. On **physical vehicles only** the region was in net inflow in **25 of 36 months**, with a 36-month total of +$1.44bn. Across **all vehicles** it was positive in **20 of 36 months**, with a total of +$1.41bn. The regional figures in this report are all-vehicles, for consistency with North America and Europe; both counts are stated wherever the frequency is used.

Why no fund, provider or ticker is named

Net flow attached to a single share class can differ materially from the same provider's position across all of its share classes. In one instance examined during preparation, a vehicle showing approximately one billion dollars of outflow belonged to a provider whose physical gold complex had lost close to nothing once its currency-hedged share classes were included, because those were in inflow. Naming individual vehicles would risk characterising a firm by an artefact of share-class structure. This report therefore describes patterns and names nothing.

Verification

Every flow figure was derived directly from fund-level data rather than carried from any summary, and independently re-derived a second time before release. One material correction resulted: the miner equity reversal from February to June 2026 is **−$13.33bn**, not the smaller figure produced when January's inflow is netted against it.

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